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CONFIDENTIAL CARACAS 002671

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NSC FOR CBARTON
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STATE PASS TO DCHA/OTI

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SUBJECT: VENEZUELA: WHY CHAVEZ "WON"

REF: A. CARACAS 2081

- ¶B. CARACAS 2153
- C. CARACAS 1950
- ¶D. CARACAS 2432
- TE. CARACAS 2309
- 1F. CARACAS 2088

Classified By: Political Counselor Abelardo A. Arias for reason 1.4 (d)

Summary

11. (C) The Organization of American States (OAS) and Carter Center are auditing ballots now, but assuming that charges of electoral fraud are not substantiated, one must ask what happened and how Venezuelan President Hugo Chavez won the August 15 recall referendum by such a large margin. Chavez ran an effective, overwhelming electoral campaign using practically unlimited state resources against a divided and disorganized opposition. High oil prices cushioned his success. Chavez also utilized other mechanisms to ensure himself victory, including his control over the National Electoral Council (CNE) and, by extension, the international observer missions. Chavez created a climate of uncertainty for opposition supporters and leaders, who expended enormous energy and political capital just to get to the referendum. Additionally, the opposition's "Si" campaign never really got off the ground, weakened by lack of money and off-target messages. End summary.

Chavez the Great Campaigner

- 12. (C) Chavez ran an effective, overwhelming electoral campaign beginning in July 2003, when his popularity dropped to a low 36% in the polls. Starting with the "Mision Robinson" literacy campaign, Chavez began using state resources to reach potential voters directly, offering cash stipends as well as access to elementary and high school degree completion programs. Defeated most recently during the appeals process for presidential recall signatures, he then personally took control of the campaign and enlisted his ministers and other government officials to marshal the resources at their command.
- 13. (C) Instead of letting the referendum be a Chavez vs. Chavez decision, he recast the referendum as an inevitable victory for his revolution. Chavez launched his "No" campaign under the direction of the "Comando Maisanta," which sold the Chavez twist that the mere calling of the referendum, provided for by his own Bolivarian Constitution, was a victory for the participatory democracy espoused by his revolution (ref A).
- 14. (C) If the numbers as of August 19 are correct, Chavez appears to have successfully mobilized lower class Venezuelan voters who have historically abstained from elections. The GOV issued identity cards or "cedulas" to undocumented Venezuelans as well as foreigners through an accelerated program "Mision Identidad" and put them on the national voter registry before rolls closed July 10. In June, the GOV naturalized 105,000 foreigners within one week, as part of its goal to naturalize 200,000 before July 10. The average number of naturalizations per year previously had only been 3,000 to 4,000. The GOV unabashedly linked cedulas to votes for Chavez (ref B).
- 15. (C) To mobilize the poor, he also fed them various populist programs. High oil prices throughout the campaign, in addition to control over other ministry budgets, gave Chavez the revenue not only to launch the "No" campaign media blitz but also to provide populist food, health, and literacy programs for the poor. Known as "misiones," these programs literally put cash into the hands of key voters. Further, Chavez sent the clear message to voters that the opposition elite would take away these programs if they returned to power.

16. (C) One of the biggest assets to the "No" campaign was Chavez, himself. Throughout the campaign period, he continued his "Alo, Presidente" radio programs, held multiple marches and public addresses, and stepped up his vitriolic language against the U.S., the Bush Administration, neo-liberal economic policies, and "Yankee Imperialism." Our policy to avoid bilateral feuding and keep the focus on the referendum itself weakened Chavez's strategy of making us a central issue. His anti-American message and the idea that President Bush was his true opponent, however, resonated among those Chavistas who continue to believe the USG was behind the events of April 2002.

Controlling the CNE

- 17. (C) Strongly favoring Chavez was his control of the CNE and, by extension, the international observer missions. The three pro-government members on the CNE, Francisco Carrasquero, Jorge Rodriguez, and Oscar Battaglini, often appeared more ready to impede democratic expression than to facilitate it, and made it difficult for the opposition to collect the signatures necessary to convoke the referendum. Chavez suffered a blow after the signature appeals process, but ultimately, he benefited from the drawn out, seven-month signature collection and verification process that exhausted the opposition. Chavez campaigned during this time, while the opposition was busy wrangling with the CNE over the validity of thousands of signatures and rules for the appeals process.
- 18. (C) After the appeals process and clear Chavista dissatisfaction with the outspoken role of the Carter Center, Organization of American States (OAS), and the Group of Friends of the OAS Secretary General on Venezuela, the CNE set rules and regulations limiting international observer participation in the referendum. The CNE also instituted automated voting over manual voting despite the opposition's concerns that an untested, computerized system would leave room for fraud and manipulation (ref C).
- 19. (C) The possibility for fraud and manipulation of Smartmatic machine software and CANTV transmissions called for more extensive international observation of the process. Instead, the CNE initially delayed invitations to international observers, limited the number of observers per mission and their activities and movement, and banned "quick counts" as a methodology to check the accuracy of final vote tabulations. Such limitations led the European Union to decline its invitation to observe. The Carter Center and OAS accepted the invitations but had to negotiate with the CNE to secure the "minimum conditions" under which they would participate as observers. Only three days before the election did the Carter Center get all of its requested observers and technicians accredited by the CNE.

Creating a Climate of Intimidation

- 110. (C) The GOV also created a climate of uncertainty and intimidation for opposition supporters to suppress the "Si" vote. Questionable criminal indictments and detentions of opposition figures, including Baruta Mayor Henrique Capriles, Sumate directors Maria Corina Machado and Alejandro Plaz, Gente de Petroleo leader Juan Fernandez, retired Army General Manuel Rosendo, and Asemblea de Educadores leader Leonardo Carvajal, coupled with inexplicable dismissals from government service of employees who had participated in the signature drive contributed to an atmosphere of mistrust. The CNE's decision to use fingerprinting machines "cazahuellas" to verify a voter's identity led to the widespread belief that a person's vote would not be secret.
- 111. (C) Other examples of intimidation included attacks on media outlets and acts of violence by hard-liner Chavistas following the appeals process, accusations against national

telecommunications company CANTV and GOV threats that Plan Republica was prepared to intervene. There were also rumors that the GOV would cut off gasoline supply to the eastern neighborhoods of Caracas, as had happened during the appeals, and thinly-veiled threats of violence by senior GOV officials (like VP Jose Vincente Rangel) if there was evidence of "sabotage" by the "terrorist" opposition.

Failed Opposition Campaign

112. (C) The opposition's "Si" campaign bloomed late. The CNE announced June 3 that preliminary calculations indicated the opposition had collected enough signatures to activate the recall referendum, and on June 8, set August 15 as the date

for the vote. The opposition's Coordinadora Democratica, however, did not launch its presidential recall "Si" campaign until June 25. One Coordinadora advisor noted that an agreement between media owners and the GOV brokered by the Carter Center weakened the opposition's "air" forces. The opposition, he said, then had to rely on its "ground" forces, and Coordinadora political parties and NGOs began working at the grassroots level.

- 113. (C) Some critics of the Coordinadora do not think the "Si" campaign really got off the ground until August 1, when its leaders signed the "National Accord for Social Justice and Democratic Peace," establishing a framework for an opposition-led transition government and recommending a primary election to determine the unified opposition candidate in a follow-on presidential election. Many observers saw this Governance Accord as a tangible demonstration of unity by a politically diverse opposition, but it did not emerge until less than two weeks before the vote (ref D).
- 114. (C) Polling data before the referendum showed that the "Si" campaign was failing to bring in new supporters, according to an opposition political consultant. The Coordinadora convinced itself that it was sufficient to have Chavez run against Chavez and ran a weak media campaign aimed at undecided voters, while others believed the focus should be on buttressing core support.
- 115. (C) The financing for the "Si" campaign was also lacking. Coordinadora advisors told us in mid-July that Chavez's success in projecting himself as the winner and polling data in his favor led to a drying up of funds from opposition-affiliated business executives. They speculated that businesses were reluctant to donate money, and those that did, did so in lesser amounts, because they were unconvinced the opposition would win and did not want to be identified with the opposition if Chavez won. Movement to Socialism (MAS) President and Coordinadora member Felipe Mujica confirmed there was a lack of financial support for the "Si" campaign when the GOV was clearly outspending the opposition (ref E).

Failed Opposition Leadership

- 116. (C) The opposition relied on the substantial number of Venezuelans already dissatisfied with the Chavez Administration, the triumph of the signature appeals process, anti-Chavez messages already being transmitted by opposition-friendly media outlets, and marches to energize opposition supporters but it did not rally behind a single leader. Even though Miranda State Governor Enrique Mendoza emerged from the appeals process victory as the likely front-runner in a potential face-off with Chavez, the Coordinadora opted to stick with the Chavez vs. Chavez strategy.
- 117. (C) The June 18 meeting of Venezuelan media magnate Gustavo Cisneros, former U.S. President Jimmy Carter, and President Chavez behind closed doors at Fuerte Tiuna undermined Coordinadora leaders particularly Enrique

Mendoza - and led opposition supporters to believe business leaders had decided to work with the GOV (ref F). Other rumors that Democratic Action (AD) leaders might be cutting deals with Fifth Republic Movement (MVR) counterparts had the same damaging effect, although to a lesser extent, on the "Si" campaign.

Final Comment

118. (C) There are many reasons for Chavez's apparent victory. Even if Chavez could not have won the vote outright, he successfully narrowed the margin in the run up to the referendum and controlled the CNE so that he probably could have stolen it, if necessary. Identifying the strengths of Chavez's campaign, the pressure points within the Venezuelan electoral system, and the weaknesses of the opposition's campaign and leadership is important, however, for the next electoral match against Chavez. Shapiro

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